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MEMORANDUM FOR: [redacted]

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SUBJECT: The Watch Committee--National Indications Center (U)

I have studied your memorandum, above subject, dated 5 February 1962. I should like to express my appreciation and that of the United States Intelligence Board for your thoughtful examination of the problem confronting the intelligence community in assuring the provision of earliest possible warning to the United States Government of hostile action or of impending developments that could eventuate in hostile action by the Sino Soviet Bloc that would endanger the security of the United States.

This is a matter of continuing concern to me and the members of the United States Intelligence Board. It receives our constant scrutiny to insure the maximum effectiveness of the Watch Committee and the operational and administrative support organization, the National Indications Center.

As you are aware, the Watch Committee and the National Indications Center have evolved to their present form and mission over more than a decade of experience and guidance by the USIB. The role of the Watch Committee and of the NIC is accurately reflected in DCID 1/5 effective 7 March 1961. Under this directive the Watch Committee and the National Indications Center focus their attention on a single task, that of providing the earliest possible warning to the United States Government of hostile action or of impending developments that could eventuate in hostile action by the Sino Soviet Bloc.

There has been some confusion of the missions of the NIC and the Defense Intelligence Agency Current Intelligence Indications Center. The principal function of the indications centers and watch centers of the member agencies such as the CIIC is the constant surveillance of indications information in their fields of competency. The principal function of the NIC is the evaluation and collation of advance warning information from a national standpoint in support of the Watch Committee.

The National Indications Center is, in fact, an advance warning evaluation center supported by all intelligence agencies in Washington. The NIC serves as a focal point to receive all information that might have a bearing on Soviet intentions to initiate hostilities. This

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indications information is provided to the NIC directly by each intelligence agency on the basis of well understood statements of interest and under the provisions of NSC 5438. The NIC brings together the indications from all sources and calls on all sources on an informal consultant basis for evaluation of specific reports and for analyses of apparent indications. This function is performed by the NIC watch-alert group on a 24-hour basis as well as by some of the other intelligence agencies. Experts in every field are available on call for the NIC and are frequently brought in to examine and evaluate information at all hours.

Each intelligence agency devotes substantial effort to the direct support of the advance warning function in addition to the indirect support provided by its production base. This, in effect, augments the immediately available expertise in the NIC, with additional expertise in all fields of intelligence, thus providing a broader base for the evaluation and analysis of indications intelligence information.

Advance warning indications are intimately linked with current intelligence, order of battle, economic, political, scientific, and diplomatic intelligence and must be evaluated against that complex background. The analyses of indications on this broad basis are distinguished from flash reports of aircraft and ship movements, piecemeal reports of diplomatic and political maneuvering, etc., although information in these latter categories may stimulate research, collection, analysis, and evaluation to produce bona fide indications information. Normally the spot reports must be analyzed by experts familiar with the specific field to which the report belongs to provide a valid assessment of its meaning.

As you know, the principal intelligence agencies each have their own collection, reporting, and analysis capabilities and each, especially State, CIA, and Defense, collects important indications information. This indications information must be selected out of a great volume of reports received and be promptly provided to the NIC, which as a joint operation continuously selects, collates, and analyzes indications intelligence information from the national standpoint. The Defense Department possesses in the DIA Current Intelligence Indications Center the most clearly segregated and developed facility for this purpose. This has grown out of the requirement of that department for current intelligence and attack warning capability to support Defense planners at all levels and to provide the warning necessary to the safety and operations

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of its world-wide commands. This center is and must always be completely responsive to the Secretary of Defense and the Joint Chiefs of Staff. The CIIC is connected directly to military intelligence and warning centers world-wide and, as such, provides valuable input to national indications. It would be dangerous, however, to assume that this particular category of indications is more important than those provided by State Department, CIA, and possibly others. Thus it would be equally dangerous to place the responsibility for the analysis and evaluation of all indications received within any one of the intelligence agencies.

On this basis I believe that the National Indications Center must retain its separate identity and must continue its function of bringing together in one place all indicators from all fields to include military, economic, political, scientific, diplomatic, etc., and of the evaluation of these indicators in support of the Watch Committee in its responsibility to provide advance warning. Although some overlap in activities of the indications centers and the watch offices of the member agencies with the activities of the NIC is inevitable and probably necessary, there is a possibility that the appearance of duplication stems, to some degree, from a similarity in names. To remove this possibility and to provide a more appropriate name for the NIC I am considering changing its name to the "National Warning Center."

I have examined the staffing of the National Indications Center. If the input of information into this center is to be increased to the point that the center itself will have a broad capability for selecting indications intelligence information from the national intelligence take; and, if the center is to be given increased analytical and evaluation functions, a significant augmentation of personnel and the addition of space will be required. If these added functions are to be developed, they would duplicate the present system of alerting the intelligence principals, consultation with the analysts in the intelligence agencies and the analysis and evaluation necessary to support the Watch Committee. This will greatly increase the cost in personnel and money which will probably have to come from present intelligence strengths and funds that can ill be spared for such duplication. I believe an extensive increase in NIC manning is not required; however, I consider the NIC to be marginally staffed for its present mission. The staff could be increased usefully by about six persons to provide for a better coverage during off duty hours and to permit a more effective pulling together of analyses of indications. The effectiveness of the NIC in evaluating indications in

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support of the Watch Committee, however, depends on the adequacy of the indications surveillance performed in the indications centers and watch offices of the member agencies. If these latter are not adequately manned, the effectiveness of the NIC will be impaired. I am therefore recommending to each of the member agencies of USIB that they examine their own capabilities for continuous surveillance of indications information to insure that this information is provided the NIC on a timely basis.

The application of automatic data processing to intelligence analysis and evaluation is in an early stage of development, as are display techniques for spot information. However, we now have a contract with

25X1A5A1 [redacted] to study ADP applications to indications information and the possibility of greater automation in indications processing. I am awaiting the findings of this study before considering further action in this field.

The availability of all pertinent information to the NIC or to the Watch Committee is of the highest importance. NSC 5438, approved by the President on 30 November 1954, requires all departments and agencies of the Government to provide this information. I and the other USIB members are constantly vigilant to assure its provision. Failures occur from time to time primarily due to the desires of our highest officials to protect plans, operations, negotiations, and sensitive sources from compromise. I have noticed an improvement in the Department of Defense compliance with this directive since the organization of the Defense Intelligence Agency. I am pressing corrective action within the Central Intelligence Agency. I plan to discuss this matter with the Secretary of State in the near future. In this connection, I am also informed that the Watch Committee does not always receive copies of White House messages that might have a bearing on Sino Soviet actions.

Both the Watch Committee and the NIC are charged under existing terms of reference with levying collection requirements to support their mission on the appropriate USIB agencies and for recommending collection priorities therefor. These requirements are presently handled in two ways: on long term matters by submission to USIB, and for immediate fulfillment directly on the member agencies where they are processed in accordance with the practice of those agencies. I have no information that supports any weaknesses in this system.

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Although the NIC is not provided direct communications to all worldwide centers of intelligence collection and warning information as are the Departments of Defense, State, and the CIA, it is situated contiguous to the DIA Indications Center and additional rapid dissemination of information can be provided the NIC, although, under most circumstances, the flow of significant indications over the DIA indications system has been and will continue to be made available on a simultaneous receipt basis to the NIC. If shortcomings exist with respect to the timely delivery of indications intelligence to the NIC, these can easily be corrected through closer association of the communications resources of the DIA indications system and the communications facilities under control of CIA and the Department of State. I have instructed the Director of the NIC to recommend any improvements in this area that he deems necessary.

I am informed that the Defense Intelligence Agency plans to move the CIIC to another location in the Pentagon sometime within the next few months. In view of the important support provided the NIC by the CIIC, these two facilities should continue to be closely linked. I plan, therefore, to request the Secretary of Defense to provide adequate space for the NIC contiguous to the new location of the CIIC.

I have previously communicated to the President my policy and that of USIB that national intelligence publications should reflect differences of view. I agree that there should be opportunity for dissent by members of the United States Intelligence Board and their representatives on the Board's subordinate committee in reporting their deliberations and conclusions to the policy makers. In fact, upon assuming my responsibility as Chairman of the United States Intelligence Board I reiterated both the importance I attach to the use of footnotes to present divergent views and my desire that estimates not be watered down to get everyone aboard. The members of USIB unanimously concurred in this. I should point out, however, that judgment and restraint in the expression of dissent is important. Overindulgence in the practice of submitting divergent views could result in the policy makers having to arrive at their own interpretation without having time to consider all of the detailed information available.

Within the Watch Committee the practice is to insure that the conclusions themselves are concise and positive reflections of the world situation with regard to Sino Soviet intentions and of developments

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relating to hostile action. However, should there be a disagreement with the conclusions, a footnote may be included. Divergent views of the committee are generally included, not as footnotes to the conclusions, but as alternate possibilities within the body of the report of the Watch Committee. This practice is used to some degree in National Intelligence Estimates, Special National Intelligence Estimates, and the Weekly Survey of Cold War Crisis Situations.

The NIC is responsive to and receives guidance from the Watch Committee in session. If guidance is needed or indicated when the committee is not in session, the Chairman of the Watch Committee is in daily communication with the Director of the NIC. When the complexity of the problem so warrants, it may be referred to USIB. This close relationship with the Watch Committee and the USIB would be difficult were the NIC functions to be made a responsibility of any member agency. The retention of the NIC directly under the Watch Committee will assure the continuation of this responsiveness.

In summary I consider the organization and functioning of the Watch Committee and the National Indications Center as reflected in DCID 1/5 to be sound and effective. The NIC should retain its separate identity and continue to function directly under the Watch Committee. The NIC is presently marginally staffed and I shall make arrangements for the augmentation of that staff. The NIC functions should not be broadened to duplicate the analysis and evaluation of indications information now performed by the USIB agencies. NSC 5438 directs the provision of all necessary information to the NIC. Vigilance by all USIB members to assure compliance with that directive is indicated. The NIC should remain contiguous to the DIA CIIC for convenience in the simultaneous provision of information to these two agencies and to facilitate working liaison. If additional communications facilities are needed to support the NIC, I shall undertake their provision. Watch Committee and USIB practice provides for the inclusion of dissent by USIB members in all USIB intelligence publications including the Watch Committee.

JOHN A. McCONE
Director of Central Intelligence

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